

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

MBA

Mailed: November 3, 2009

Cancellation No. 92051014

Meckatzer Löwenbräu Benedikt
Weiß KG

v.

White Gold, LLC

**Before Seeherman, Walsh and Taylor, Administrative Trademark
Judges**

By the Board:

This case now comes up for consideration of respondent's motion to dismiss the petition for cancellation for failure to state a claim upon which relief may be granted, filed August 4, 2009. The motion is fully briefed.

Background

Respondent owns registrations of the marks WHITE GOLD in standard characters and WHITE GOLD & Design,¹ both of which are for, *inter alia*, alcoholic beverages (the "Registrations"). Petitioner seeks to cancel the Registrations, alleging in its petition for cancellation that it is "engaged in the marketing, sale, promotion and/or

¹ Registration Nos. 3399843 and 3399844, both issued March 18, 2008 from applications filed February 17, 2006, based on dates of first use in commerce of August 2005 for "Aperitifs; orak; brandy; wine; whisky; gin; vodka; prepared alcoholic cocktails; liquers"

distribution of a wide variety of alcoholic and non-alcoholic beverages," and that its pending applications to register WEISS-GOLD in standard characters² and MECKATZER MECKATZER LÖWENBRÄU WEISS GOLD & Design³ were refused under Section 2(d) based on respondent's Registrations. Petition for Cancellation ¶¶ 1-3. As grounds for cancellation, petitioner alleges fraud, in that respondent's January 15, 2008 Statements of Use claimed use of respondent's marks on all of the goods identified in respondent's applications, but "upon information and belief," respondent's marks "were not, at the time the Statements of Use were filed, in use in connection with all of the goods referenced in the Statements of Use." Id. ¶¶ 4-5. Petitioner further alleges, "upon information and belief," that "Respondent knowingly made false, material misrepresentations of fact in procuring the Registrations. Specifically, Respondent knew or should have known that [its marks] were not in use in connection with all of the goods referenced in the

² Application Serial No. 79025059, filed April 10, 2006 under Section 66(a) for "Beers, brewed malt-based alcoholic beverages; mineral waters, aerated waters; fruit juices, fruit juices containing crushed fruit, fruit drinks and lemonades or other carbonated soft drinks" and "Alcoholic beverages, namely, potable spirits and liquers." The English translation of "WEISS-GOLD" is "White-gold."

³ Application Serial No. 79038317, filed February 19, 2007 under Section 66(a) for "Beers; mineral and aerated waters; other non-alcoholic drinks, namely, carbonated beverages, Non-alcoholic punch; fruit drinks and fruit juices"

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Statements of Use at the time the Statements of Use were filed." Id. ¶ 6.

Respondent's Motion and Petitioner's Response

Respondent argues that the petition should be dismissed because petitioner has not adequately alleged standing. Specifically, respondent claims that the preliminary refusal of petitioner's applications does not confer standing. Furthermore, respondent claims that with respect to petitioner's application to register MECKATZER MECKATZER LÖWENBRÄU WEISS GOLD & Design:

six (6) additional registrations not owned by [respondent] were cited as grounds for refusal against that application and petitioner chose to make no response to the Examiner's rejections based on those registrations, so even if [respondent's Registrations] were canceled, petitioner will still be unable to obtain registration because petitioner did not respond to or refute the Examiner's citation of those additional six registrations.

Motion to Dismiss at pp. 2-3.

In response, petitioner argues that the refusal of its applications based on respondent's Registrations confers standing. Petitioner further argues that the third-party registrations cited against MECKATZER MECKATZER LÖWENBRÄU WEISS GOLD & Design are "irrelevant" to the question of standing.

Decision

The standard governing motions to dismiss under Fed. R.

Civ. P. 12(b)(6) is set forth below:

In order to withstand a motion to dismiss for failure to state a claim, a plaintiff need only allege such facts as would, if proved, establish that (1) the plaintiff has standing to maintain the proceedings, and (2) a valid ground exists for opposing the mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f), to determine whether it contains any allegations which, if proved, would entitle plaintiff to the relief, sought. See Lipton Industries, Inc. v. Ralston Purina Co., 670 F.2d 1024, 213 USPQ 185 (CCPA 1982); Kelly Services Inc. v. Greene's Temporaries Inc., 25 USPQ2d 1460 (TTAB 1992); and TBMP §503.02 (2d. ed. rev. 2004). For purposes of determining a motion to dismiss for failure to state a claim upon which relief can be granted, all of plaintiff's well-pleaded allegations must be accepted as true, and the complaint must be construed in the light most favorable to plaintiff. See Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc., 988 F.2d 1157, 26 USPQ2d 1038 (Fed. Cir. 1993); see also 5A Wright & Miller, Federal Practice And Procedure: Civil 2d §1357 (1990). ... The purpose of a Rule 12(b)(6) motion is to challenge "the legal theory of the complaint, not the sufficiency of any evidence that might be adduced" and "to eliminate actions that are fatally flawed in their legal premises and destined to fail ..." Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc., supra at 26 USPQ2d 1041.

Fair Indigo LLC v. Style Conscience, 85 USPQ2d 1536, 1538 (TTAB 2007); see also, Young v. AGB Corp., 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998).

Under this standard, we find that petitioner has sufficiently alleged standing. It is well-settled that "[t]o establish a reasonable basis for a belief that one is damaged by the registration sought to be cancelled," and thus standing, "a petition may assert ... a rejection of an application during prosecution" based on the registration sought to be cancelled. Lipton Industries, Inc. v. Ralston Purina Co., 213 USPQ at 189; Tri-Star Marketing LLC v. Nino Franco Spumanti S.R.L., 84 USPQ2d 1912, 1914 (TTAB 2007). In fact, the Board has found that a petitioner's allegation of a mere "belief of the likelihood of refusal of its application under Section 2(d)" sufficiently alleges standing. The Hartwell Co. v. Shane, 17 USPQ2d 1569, 1570 (TTAB 1990). Therefore, petitioner has sufficiently alleged its standing, and respondent's motion to dismiss is **DENIED**.⁴

Although we have determined that petitioner adequately alleged its standing, we find, *sua sponte*, that its petition

⁴ The citation of six third-party registrations against the application to register MECKATZER LÖWENBRÄU WEISS GOLD & Design does not change this result because, *inter alia*, petitioner is entitled to appeal the final refusal of its application based on those six registrations. See, e.g., TMEP § 1501.01. In short, respondent's claim that "petitioner will still be unable to obtain registration," even if it prevails in this proceeding, is not necessarily correct.

does not adequately allege fraud under the Federal Circuit's recent decision in In re Bose Corp., 580 F.3d 1240, 91 USPQ2d 1938 (Fed. Cir. Aug. 31, 2009). In petitioning to cancel on the ground of fraud, a petitioner must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a). Under Rule 9(b), together with Fed. R. Civ. P. 11 and USPTO Rule 11.18, "the pleadings [must] contain explicit rather than implied expression of the circumstances constituting fraud." King Automotive, Inc. v. Speedy Muffler King, Inc., 212 USPQ 801, 803 (CCPA 1981). As the Board recently held:

Pleadings of fraud made "on information and belief," when there is no allegation of "specific facts upon which the belief is reasonably based" are insufficient. Exergen Corp. v. Wal-Mart Stores Inc., 91 USPQ2d 1656, 1670 (Fed. Cir. 2009) and cases cited therein (discussing when pleading on information and belief under Fed. R. Civ. P. 9(b) is permitted); see also In Re Bose Corp., 91 USPQ2d at 1938. Additionally, under USPTO Rule 11.18, the factual basis for a pleading requires either that the pleader know of facts that support the pleading or that evidence showing the factual basis is "likely" to be obtained after a reasonable opportunity for discovery or investigation. Allegations based solely on information and belief raise only the mere possibility that such evidence may be uncovered and do not constitute an adequate pleading of fraud with particularity. Thus, to satisfy Rule 9(b), any allegations based on "information and belief" must be accompanied by a statement of facts upon

which the belief is founded. See Exergen Corp., 91 USPQ2d at 1670 n.7, citing Kowal v. MCI Comm. Corp., 16 F.3d 1271, 1279 n.3 (D.C. Cir. 1994) (“[P]leadings on information and belief [under Rule 9(b)] require an allegation that the necessary information lies within the defendant's control, and ... such allegations must also be accompanied by a statement of the facts upon which the allegations are based’).”

Asian and Western Classics B.V. v. Selkow, ___ USPQ2d ___, Cancellation No. 92048821 (TTAB Oct 22, 2009).

In this case, the allegations in Paragraphs 5 and 6 of the petition to cancel are based solely upon information and belief. As in Asian and Western Classics, “[t]hese allegations fail to meet the Fed. R. Civ. P. 9(b) requirements as they are unsupported by any statement of facts providing the information upon which petitioner relies or the belief upon which the allegation is founded.” Id. In fact, in this case, petitioner’s pleading does not identify the particular goods identified in the registrations on or in connection with which respondent had not used the registered marks.

Furthermore, “[a] pleading of fraud on the USPTO must also include an allegation of intent.” In re Bose, 91 USPQ2d at 1939-1940. Under Asian and Western Classics, “[p]leadings of fraud which rest solely on allegations that the trademark applicant or registrant made material representations of fact in connection with its application

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or registration which it 'knew or should have known' to be false or misleading are an insufficient pleading of fraud because it implies mere negligence and negligence is not sufficient to infer fraud or dishonesty." Asian and Western Classics, ___ USPQ2d ___ (quoting In re Bose, 91 USPQ2d at 1940 and Symbol Techs., Inc. v. Opticon, Inc., 935 F.2d 1569, 1582 (Fed. Cir. 1991)). Under Bose, "intent is a specific element of a fraud claim and an allegation that a declarant 'should have known' a material statement was false does not make out a proper pleading." Id., ___ USPQ2d at ___.

In this case, petitioner's allegations in Paragraph 6 of its petition which state that respondent "knew or should have known" are insufficient to allege respondent's intent to commit fraud on the USPTO. Accordingly, petitioner's fraud claim is insufficient.

Petitioner is allowed until **THIRTY DAYS** from the mailing date of this order to, if warranted, file an amended petition for cancellation which sufficiently pleads fraud, failing which the petition will be dismissed with prejudice. In the event petitioner files an amended petition to cancel in accordance with this decision, respondent is allowed thirty days from the date of service thereof to answer or otherwise move with respect to the amended petition.

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Disclosure, conferencing, discovery, trial and other dates are reset as follows:

Deadline for Discovery Conference	January 27, 2010
Discovery Opens	January 27, 2010
Initial Disclosures Due	February 26, 2010
Expert Disclosures Due	June 26, 2010
Discovery Closes	July 26, 2010
Plaintiff's Pretrial Disclosures	September 9, 2010
Plaintiff's 30-day Trial Period Ends	October 24, 2010
Defendant's Pretrial Disclosures	November 8, 2010
Defendant's 30-day Trial Period Ends	December 23, 2010
Plaintiff's Rebuttal Disclosures	January 7, 2011
Plaintiff's 15-day Rebuttal Period Ends	February 6, 2011

In each instance, a copy of the transcript of testimony, together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.
